



Division of Insurance

March 5, 2014 FOR IMMEDIATE RELEASE

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Consumer Alert: Avoiding Insurance Fraud and Scams

While many people have successfully navigated all of the recent changes regarding health insurance, a time of change also presents an opportunity for scammers and other predators. However, falling victim to fraud isn't just confined to health insurance. The Colorado Division of Insurance offers these five tips on avoiding insurance misrepresentation, fraud and scams.

Know what you're getting with health insurance. The most common form of health insurance scam is misrepresentation of coverage. This is when a limited benefit or "gap coverage" health plan is sold as full medical insurance, also called comprehensive health insurance. These plans are attractive due to their low cost, but they do not provide full medical coverage and do not include many of the requirements of the Affordable Care Act, including coverage of the [10 Essential Health Benefits](#). If you understand the difference between comprehensive and supplemental coverage, you're better prepared to understand the policy you are buying.

Determine if the company is licensed in Colorado, and what kind of insurance it is authorized to sell in Colorado. When buying any kind of insurance, you can confirm if the insurance company is licensed in Colorado and what types of insurance it can sell, by visiting www.dora.colorado.gov/insurance, and clicking on "Find a licensed company or producer (agent)" in the "Quick Links" section. Know that if an insurance company is licensed in Colorado, it is considered to be in good financial standing and capable of meeting its obligations to pay claims.

Understand who is selling you insurance. All agents and brokers that sell insurance products in the state must be certified and licensed by the Division of Insurance. You can always ask to see an insurance agent's license and can contact DORA's Division of Insurance to check on the company and the licensing of an agent. You can verify this information at the Division of Insurance website, www.dora.colorado.gov/insurance, by clicking on "Find a licensed company or producer (agent)" in the "Quick Links" section. You can also check on any official discipline taken against an agent by clicking on the "Enforcement Actions," also in "Quick Links."

Be suspicious of insurance prices / premiums that are much lower than the competition. Take time to ask questions about the insurance policy and why the premiums are so much lower. Find out what's covered and what isn't. Be suspicious if you cannot get answers to these questions or if the company or agent refuses to send you information to review unless you enroll and give them a credit card number.

You should receive paperwork on your policy. If you don't receive the paperwork within 60 days after paying your first premium, contact the Division of Insurance at 303-894-7490 / 1-800-930-3745 (outside of the Denver metro area). Always check your bills for details of all services and for accuracy.

The best way to avoid insurance scams is to do your homework. Make sure you know who is selling you the insurance and that you understand the policy you are buying. Avoid buying insurance from door-to-door salespeople or through unsolicited phone calls. Be aware that scammers may use fake websites to try to get your personal details or your money.

Remember, if it seems too good to be true, it probably is.

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*The [Colorado Division of Insurance](#) regulates the insurance industry and assists consumers and other stakeholders with insurance issues. Consumers with questions can contact the Division of Insurance at **303-894-7490** or **1-800-930-3745** (outside the Denver metro area).*

[DORA](#) is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado.

Consumer protection is our mission.